

RESOLUTION

R-00-650

City Hall: October 19, 2000

BY:  COUNCILMEMBERS SINGLETON, SAPIR, THOMAS AND CARTER

IN THE MATTER OF INVESTIGATION INTO THE
PRUDENCE OF ENTERGY NEW ORLEANS, INC.'S
NATURAL GAS CONTRACTING PRACTICES
DOCKET NO. UD-98-2

IN THE MATTER OF INVESTIGATION WITH RESPECT TO
WHETHER NATURAL GAS RETAIL COMPETITION
IS IN THE PUBLIC INTEREST
DOCKET NO. UD-97-2B

RESOLUTION ACCEPTING SETTLEMENT OFFERS OF
ENTERGY NEW ORLEANS, INC. AND SEWERAGE AND WATER BOARD
IN RESOLUTION OF DOCKETS
UD-98-2 AND UD-97-2B

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter ("Charter") of the City of New Orleans, the Council of the City of New Orleans ("Council") is the governmental body authorized to exercise regulatory control over rates, charges and the general conditions under which electric and gas services are provided in New Orleans; and

WHEREAS, by adoption of Resolution R-98-267, the Council created Docket UD-98-2 and ordered an investigation into the prudence of Entergy New Orleans, Inc.'s ("ENO") natural gas contracting practices, particularly with respect to its firm retail peak-day gas supply and the resulting charges that were passed through the City Gate Adjustment ("CGA") clause; and

WHEREAS, the Council directed that an administrative hearing in Docket UD-98-2 be conducted before its designated hearing officer, Judge John Farmakides, which hearing was indeed conducted, with all of the active parties, namely ENO, the advisors to the Council of the City of New Orleans ("Advisors"), Sewerage and Water Board ("S&WB"), submitting testimony and participating in the cross-examination of witnesses; and

WHEREAS, Judge Farmakides has certified the record to the Council for decision; and

WHEREAS, in October, 1998, the Council adopted Resolution R-98-675, creating Docket UD-97-2B and ordering an investigation into whether competition for natural gas services at the retail level and/or open access transportation for gas supply in the City of New Orleans was in the public interest; and

WHEREAS, in Docket UD-97-2B formal testimony was filed by ENO, S&WB, Lockheed Martin Michoud Space Systems, The Folger Coffee Company, and Southern Scrap Material Co., L.L.C.; and

WHEREAS, the administrative hearing in Docket UD-97-2B was conducted by the Council's designated hearing officer, Judge Lawrence D. Crocker, who certified the record to the Council in December, 1999; and

WHEREAS, in accordance with the order of the Council, the Advisors submitted their report to the Council in February, 2000; and

WHEREAS, the key finding in the Advisors' report was that the record in Docket UD-97-2B did not provide sufficient support to conclude that full-scale retail gas competition in New Orleans is in the public interest at this time; and

WHEREAS, notwithstanding the principal finding of the Advisors in their report, the Advisors recommended that the Council might consider four options, which options included pilot programs; and

WHEREAS, on September 11, 2000, ENO submitted an offer to settle or resolve the outstanding issues in both Docket UD-98-2 and UD-97-2B, and the offer is made a part of this resolution and identified as "Attachment A"; and

WHEREAS, on September 11, 2000, the S&WB submitted its offer to settle or resolve the outstanding issues in Docket UD-98-2 and Docket UD-97-2B, and the offer of the S&WB is made a part of this resolution and identified as "Attachment B"; and

WHEREAS, all of the active parties and Advisors have agreed to the terms of both ENO and S&WB's offers and recommend their acceptance to the Council as a fair and reasonable way to resolve the outstanding issues in the dockets; now therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the offers to settle or resolve the outstanding issues in Docket UD-98-2 and Docket UD-97-2B submitted on September 11, 2000, by ENO and S&WB are hereby accepted.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Gusman, Sapir, Shea, Singleton, Thomas, Willard-Lewis - 7

NAYS: 0

ABSENT: 0

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY

Emma J. Williams
CLERK OF COUNCIL



Entergy Services, Inc.
P.O. Box 61000
L-ENT-26E
New Orleans, LA 70161-1000
Tel: 504 576-4377
Fax: 504 576-5579

J. Wayne Anderson
Legal Services
Deputy General Counsel
Regulatory

September 11, 2000

Honorable Jim Singleton,
Chairman
Council Utility Committee
Room 2W50
New Orleans, LA 70112

Re: CNO Docket Nos. UD-98-2 and UD-97-2B

Dear Councilmember Singleton:

We enclose an offer made on behalf of Entergy New Orleans, Inc. to settle all issues pending in the two Council dockets referenced above.

The terms and conditions of this offer are embodied in the enclosed Settlement Term Sheet, attached to which term sheet is an Exhibit A (The ENO Code of Conduct for Gas Sales). All of the terms and conditions of this offer are related. Thus, all of the terms of the offer have to be accepted in order for the offer to be accepted; and an alternation or rejection of any of the terms or conditions of the offer shall constitute rejection of all of them. We respectfully request that this matter be considered by the Council and by the intervenors to this proceeding.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Anderson".

JWA:mbc
Enclosures

cc:

All Councilmembers
Jacquelyn Frick
Service List UD-98-2 and UD-97-2B

"ATTACHMENT A"